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# Roma Women's Unemployment in Hungary

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## ABOUT THE PAPER

This paper was written on behalf of the Roma Women's Initiative (RWI) of the Open Society Foundations. RWI was a network of Roma women activists in Central and Eastern Europe, founded in 1999 by the Open Society Institute's Network Women's Program in order to develop, link, and catalyze a core group of committed Roma women leaders in an effort to improve human rights of Roma women in CEE. In 2006 the RWI became the Joint Romani Women's Initiatives at OSF and continued functioning until the end of 2007. Since 2008 this component has been rebuilt within Roma Initiatives program's work.

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## ROMA WOMEN'S UNEMPLOYMENT IN HUNGARY

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### ABSTRACT

*While several recent studies have explored the position of Roma in the labor market in Hungary and across Central Eastern Europe, most fail to integrate gender into their analyses. Responding to this gap, this paper calls attention to the invisibility of Roma women in research projects and publications, despite the fact that they maintain a specific and marginalized position in the labor market. This paper also goes beyond existing studies that reproduce a narrow interpretation of “economy” and “paid work,” by drawing attention to the connection between Roma women’s productive and reproductive roles. Based on a review of existing research and literature, this paper challenges the validity of traditional labor market concepts for understanding and addressing Roma women’s labor market position and employment potential. Analyzing a range of issues surrounding Roma women’s employment, the paper shows strong links between education and economic activity, and between Roma women’s economic activity and the potential for their families to avoid poverty. The study offers a series of recommendations to improve the position of Roma women, as well as that of Roma men, in the labor market in Hungary.*

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## INTRODUCTION

This paper is written on behalf of the Roma Women's Initiative (RWI) of the Open Society Institute (OSI).<sup>1</sup> It is part of RWI's efforts to collect existing research evidence and data throughout the Central and Eastern Europe (CEE) region based on which policy recommendations in order to support Roma women's participation in the labor market can be formulated at the national, regional, and European levels. Due to the lack of official ethnic data on Roma (and their employment),<sup>2</sup> in most of the countries in the region – and thus, lack of gender-desegregated data – this evaluation of Roma women's employment status relies on a review of existing research literature. Since such information tends to be available in pieces in national and local surveys, rather than in the few multi-country, or regional studies,<sup>3</sup> the paper takes the example of Hungary, and is suggested to be read as a case study.

Even though a number of studies were published in recent years in Hungary on the position of Roma in the labor market, it is noteworthy that most of these studies entirely lack the gender perspective in at least two ways. Firstly, Roma women continue to be invisible in most surveys and publications, despite their very marginalized position in the labor market. This paper will demonstrate the specific labor market position of Roman women by contrasting it, where possible, to that of Roma. However, it must be emphasized that Roma men's labor market position is, indeed, very vulnerable, and must be addressed urgently by policy-makers. Secondly, most studies lack the gender perspective in that they continue to reproduce a narrow interpretation of "economy" and "work," focusing only on the formal economy, and interpreting work solely as paid work. Usually, no attention is paid to the connection between Roma women's productive and reproductive roles, which is key to understanding some of the reasons behind Roma women's labor market position. This paper will highlight some of these connections and challenge the validity of traditional labor market concepts for understanding and addressing Roma women's labor market situation.

- 1 The Roma Women's Initiative (RWI) is a network of Roma women activists in Central and Eastern Europe, founded in 1999 by the Open Society Institute's Network Women's Program in order to develop, link, and catalyze a core group of committed Roma women leaders in an effort to improve human rights of Roma women in CEE. Through programs on networking, capacity-building, technical assistance, leadership development, educational and economic empowerment, advocacy, and lobbying, RWI seeks to prepare Roma women activists to address discrimination and advocate for policy change at local, national, and international levels. For more information, see <http://www.romawomensinitiatives.org>
- 2 Due to the strict interpretation of data protection regulations, practically no official statistics are available on Roma. The number of Roma in Hungary is estimated to be between 550,000-600,000. However, there are frequent debates on these estimates and on how to define «Roma» for data collection.
- 3 European Commission, Directorate on Employment and Social Affairs, *The Situation of Roma in an Enlarged European Union*, 2004, and UNDP, *Faces of Poverty, Faces of Hope*, 2004.

## 1. THE POSITION OF ROMA WOMEN IN THE HUNGARIAN LABOR MARKET - KEY ISSUES

### *Economic transition has led to mass unemployment and continued, high economic inactivity among Roma men and women*

From the late 1980s into the early 1990s, about 40% of formerly employed Roma lost their jobs, compared to about 10% of the majority population.<sup>4</sup> Mass unemployment during the economic transition in Hungary hit Roma first. Many Roma were employed in low-valued, low-skilled jobs, typically in industries that suffered great losses or full restructuring. However, the mass unemployment cannot be explained fully by Roma workers' overrepresentation particular jobs and industries. There was also an element of ethnic discrimination. As a result, about 70% of adult Roma men and 80% of Roma women were economically inactive or unemployed in Hungary in 1993.<sup>5</sup>

Over a decade later, a survey showed that the 70-80% inactivity level remained unchanged among the Roma, suggesting that exclusionary tendencies were sustained – despite the economic development in Hungary, which began around 1997 and achieved a generally modest unemployment rate by 2004.<sup>6</sup> Thus, it can be argued that the Roma have become the losers of the economic transition at least in two ways. Not only were they the hardest hit by mass unemployment at the early stages of transition, but also they were excluded from the economic consolidation that took place from the second half of the 1990s. While these processes impacted both Roma men and women, gender differences are significant:

**Table 1: Economic activity among adult Roma men and women, age 19 and above (%)<sup>7</sup>**

	Total (%)	Roma men (%)	Roma women (%)
Full-time studies	4.7	7.1	2.4
Economically active	25.2	32.1	18.4
Unemployed	35.9	38.1	33.9
Childcare, household support	13.4	0.3	26.0
Pensioner	5.4	5.7	5.0
Disability living allowance	15.4	16.7	14.3

About 32% of Roma men and 18% of Roma women have registered, paid employment. Unemployment among Roma men and women is similarly high, around 34-38%. In addition, a quarter of Roma women is at home on childcare or work in the household. The very low ratio of pensioners

4 Gábor Kertesi, Cigány foglalkoztatás és munkanélküliség a rendszerváltás előtt és után, *Esély*, 1995. 4. pp. 19-63.

5 István Kemény, Roma gyerekek az iskolában, roma felnőttek a munkaerőpiacon, *A Falu* 10, 1995. pp.47.

6 Ferenc Babusik, *A szegénység csapdájában*, Research Report, Budapest, 2004. p.13. This representative survey is one of the few studies which offers data on Roma women's labour-market participation, as well as data on Roma households as units. Other researchers found similar activity rates, while unemployment data shows significant variations.

7 Ferenc Babusik, *A szegénység csapdájában*, Research Report, Budapest, 2004. p.13

among both Roma men and women is related to early mortality and exclusion from economic activity, and thus, their lack of access to social security. The poor health status of many Roma people is reflected in the high ratio of those who receive disability allowance, which, at the same time, is also believed to be a form of unemployment benefit. In summary, although economic inactivity is high among both Roma men and women, almost twice as many men work or study fulltime than do Roma women (39.2% compared to 20.8%).

### *Education and economic activity go hand-in-hand*

Roma women's educational background strongly influences their level of economic activity. As one can see in Table 2, while unemployment is high in all groups, women who lack educational qualifications tend to remain at home, often providing childcare or receiving disability allowance. At the same time, Roma women who possess vocational training or a secondary school qualification are much more likely to have paid work. Research evidence suggests that at least a vocational qualification or secondary school education is needed for entry into the labor market as alternative to childcare/household work, though unemployment among Roma women is high across the board.

**Table 2: Economic activity of Roma women according to educational background (%)<sup>8</sup>**

	Total	Incomplete elementary education	Complete elementary education	Vocational training	Secondary school	Higher education (college, university)
Full-time studies	2.4		2.2	0.2	12.7	
Economically active	18.4	2.9	13.3	<b>45.5</b>	<b>36.9</b>	<b>78.4</b>
Unemployed	33.9	30.2	39.8	29.8	35.3	2.,6
Childcare, household support	26.0	23.5	<b>38.3</b>	18.7	11.4	
Pensioner	5.0	12.4	0.4	1.8	0.7	
Disability living allowance	14.3	<b>31.0</b>	6.0	3.9	3.0	

Roma women's educational background on average continues to be low, poorer than that of Roma men and of the majority population. Older Roma women are particularly disadvantaged. Since most did not complete elementary school, they essentially excluded. Even in the age group 35-48, about 80% of Roma women possess at best elementary school qualification – as we have seen above, insufficient for a labor market entry. In the younger generation of Roma women (ages 19-34), however, about 40% have acquired vocational or secondary education; thus, there appears to be potential to enter the labor market. That said,, one-fifth of young Roma women today have not completed elementary education, and an additional 40% have not continued their studies after elementary school. In particular, Roma

8 Ferenc Babusik, *A szegénység csapdájában*, Research Report, Budapest, 2004. p. 17.

women in villages and segregated neighborhoods are at risk of finishing elementary school late or not completing it at all.<sup>9</sup> A case study of young Roma people in an economically depressed region found that under such circumstances, Roma women’s opportunities limited: they attend school only until their first child arrives. Roma women’s ability to gain employment in such regions is reduced to none.<sup>10</sup>

**Table 3: Educational background of adult Roma men and women age 19 and above (%)<sup>11</sup>**

	Total	Men	Women	Women 19-34	Women 35-48	Women 49-62	Women 63+
Incomplete elementary ed.	30.2	24.2	36.1	19.6	38.9	78,8	84,3
Complete elementary ed.	36.4	37.9	34.9	39.4	41.5	15,7	10,3
Vocational training	20.6	26.6	14.7	20.1	10.9	4,0	4,1
Secondary school	11.4	10.5	12.4	19.1	6.4		1,3
College, university	1.3	0.9	1.8	1.9	2.4	1,5	

In summary, the significance of education for Roma people to gaining access to employment has been reinforced by research evidence. Given the educational background of many Roma women, which is marked by disadvantage, their educational needs must be targeted at various levels, as will be discussed in this paper with regard to policy recommendations.

***Roma women’s employment significantly reduces threat of poverty for the family***

Based on income data, about 70-90% of Roma in Hungary live below the official poverty line, as calculated by the so-called subsistence minimum.<sup>12</sup> Roma women’s economic activity is crucial in minimizing a family’s risk of poverty – a phenomenon that continues to threaten many Roma families in Hungary.<sup>13</sup> It has been recognized broadly by researchers in Hungary that the number of employed people is one of the best indicators of poverty risk: families with two earners are very likely to avoid poverty, and families with no earners are indeed likely to face it.<sup>14</sup> Among Roma couples, in only 12% of cases are both partners employed, and in 54%, both partners are inactive.

Table 4 shows differences in work-related income levels among Roma families, depending on the number of earners and number of children. It is worth noting that having a child – even if just one child – makes a significant mark on per capita work-related income. Roma families with two earners are significantly better off than Roma families with fewer wage earners; interestingly, Roma families in which only women are employed produce more work-related income than families with men earners only.

9 Ferenc Babusik, Az ózdi régió cigány népessége, in Ferenc Babusik (ed.), *A romák esélyei Magyarországon*, Budapest, Kávé Kiadó, Delphoi Consulting, 2002. p. 125.

10 Ibid.

11 Ferenc Babusik, *A szegénység csapdájában*, Research Report, Budapest, 2004. p. 9-10.

12 Ferenc Babusik, *Roma vállalkozások Magyarországon*, Budapest, Research Report, 2004. p. 23.

13 Zsolt Spéder, *A szegénység változó arcai*, Budapest, Századvég Kiadó, 2002.

14 Zsolt Spéder, *A szegénység változó arcai*, Budapest, Századvég Kiadó, 2002.



**Table 4: Per capita work-related monthly income (in HUF)<sup>15</sup>**

Number of children	Number of earners			
	Both employed	Only man employed	Only woman employed	Neither employed
No child	63,918	33,341	43,271	21,548
One child	48,716	22,406	27,492	15,375
Two children	31,597	23,533	27,908	11,622
Three children	31,220	17,645	19,657	12,297
Four or more children	25,000	11,303	7,143	9,200

It has been a powerful myth that Roma women do not work, because their families are better off if they live on various forms of welfare: childcare benefits, unemployment benefits, etc. Table 5 demonstrates that even if we take into account the various forms of welfare benefits, the per capita income of Roma families is by far highest in cases of the two-earner model. Roma families are financially much more interested in Roma women's employment, since it brings significantly more income to the family budget than any combination of welfare payments. Welfare benefits are insufficient to provide even for subsistence living: they are merely one element in the portfolio of families to make ends meet.

**Table 5: Various forms of income in Roma families<sup>16</sup>**

Couples without children	Work-related income (HUF)	Unemployment benefit (HUF)	Childcare benefits (HUF)	Social welfare payment per capita	Total income per capita	Net income per capita
Both partners employed	63,918	0	0	0	66,783	48,901
Only man employed	33,341	4,003	0	1,886	36,752	25,750
Only woman employed	43,271	1,616	0	1,690	45,769	32,471
Neither employed	21,548	2,944	0	2,652	25,263	18,299
<b>Couples with a child or children</b>						
Both partners employed	36,277	0	9845	656	39,422	30,237
Only man employed	20,222	714	19191	967	25,277	18,640
Only woman employed	24,580	5,369	13792	1,800	29,728	20,236
Neither employed	11,921	2,482	21204	1,937	18,646	11,802

15 Ferenc Babusik, *A szegénység csapdájában*, Research Report, Budapest, 2004. p. 28.

16 Ferenc Babusik, *A szegénység csapdájában*, Research Report, Budapest, 2004. p. 20.

In short, those 12% of Roma families with two earners are the likeliest to avoid poverty, while the 54% of Roma families with neither partners employed struggle below the poverty line. Families with only women earners have more income than families with men earners only, however, both are very likely to face poverty. Welfare payments do not compensate for the lost work-related income; in fact, only they cover a fraction of subsistence costs.

Roma earners receive on average very low wages, as shown in Table 6. This table demonstrates that on average, to make ends meet, Roma need temporary income in addition to their very low incomes. The table also reinforces the finding that women with no or basic education are practically unable to generate permanent income. The wage gap between Roma men and women is indeed clearly tangible. The only category where Roma women make significant money – and more than Roma men – pertains to those women who have achieved a degree in higher education.

**Table 6: Permanent and Temporary Income (in HUF)<sup>17</sup>**

	Average		Men		Women	
	Permanent income	Temporary income	Permanent income	Temporary income	Permanent income	Temporary income
Incomplete elementary education	2,932	3,305	3,743	4,749	2,345	2,253
Complete elementary education	13,166	6,132	14,763	7,883	11,325	4,029
Vocational training	33,705	9,880	35,196	13,374	30,968	3,460
Secondary school	30,952	6,212	38,472	10,307	24,688	2,801
College, university	63,569	1,3650	56,574	37,874	66,838	2,329

Even if widespread discrimination against Roma men and women, both direct and indirect, is assumed by most researchers, no research has documented directly its actual operation, depth, and intensity so far. Researchers emphasize that labor market discrimination can be supported indirectly from many other phenomena, such as: from the fact that low educational background alone does not explain the disproportionate loss of jobs; the sustained, high rates of unemployment among Roma; or wage gaps between Roma and non-Roma employees.<sup>18</sup> Based on similarly indirect evidence – like wage gaps between Roma and non-Roma women, or between Roma women and men – we have reason to believe that Roma women face a double discrimination on the labor market. Yet, as shown above, if Roma women manage to gain registered employment despite discrimination and other disadvantages, their families’ potential for escaping poverty increases substantially.

Missing Roma women entrepreneurs among registered businesses – while plenty of evidence for business-like activities and skills

17 Ferenc Babusik, *A szegénység csapdájában*, Research Report, Budapest, 2004. p. 26.

18 Gábor Kertesi, *Cigány foglalkoztatás és munkanélküliség a rendszerváltás előtt és után*, *Esély*, 1995. 4. pp. 19-63.

Even though the ethnicity of entrepreneurs is not recorded in official statistics, a recent survey of about 350 Roma enterprises has shown that 85% of Roma entrepreneurs are men.<sup>19</sup> Roma entrepreneurs constitute less than 10% of employed Roma people, and such businesses are, in most cases, micro-enterprises, with less than 10 employees. Nevertheless, the average income of Roma entrepreneurs is significantly higher than that of other Roma families.

The educational background of the very few Roma women entrepreneurs is relatively high – in fact, quite a few possess degrees in higher education. Most studied and were employed prior to the launch of business activities, or were at home on childcare, but were not unemployed. This certainly suggests that currently registered entrepreneurship is an option only for educated Roma women, with previous labor market experience. Even if it is likely that women actively participate in the business activities of the other 85% of Roma enterprises, their work remains invisible.

Despite their absence from official business registries, it is broadly recognized and documented that many Roma women are engaged in income-generating business-like activities. Case studies in villages have recorded various paid work activities in which Roma women are routinely engaged in, e.g. seasonal or temporary agricultural labor, or household assistance for other families.<sup>20</sup> Many of these activities require various business skills. In addition, Roma women are often responsible for dealing with authorities,<sup>21</sup> arranging documents, payments, and so on – requiring skills, which are vital for managing a business. Case studies of Roma communities support the notion that Roma women often play a central role in ensuring their families' subsistence, organizing resources and providing for basic needs. Grandmothers in large families were found to be the ones providing support for all family members, operate large networks and mobilize resources.<sup>22</sup>

Unfortunately, thus far, research has targeted neither the assessment of the informal or unregistered economic activity delivered by Roma men and women, nor the assessment of the household, caring, or similar kinds of work delivered almost exclusively by Roma women. Thus, the following argument can be formulated only as a hypothesis, even if its elements can be supported by research.

We can reasonably assume that many Roma women are engaged in unregistered income-generating activities, and that such work is vital for their families. There are various and serious consequences for women. Firstly, such work is neither recorded by contracts, nor registered in the social security system; thus, it does not give any protection for women in case of rights abuses, illness, old-age, and so on. Roma women who do not have sufficient employment records, and/or were at home on childcare at times without having been registered in the social security system, are increasingly excluded from a range of benefits and services and are at risk of becoming totally invisible pariahs.<sup>23</sup> Secondly, even if much of their work is not illegal - but simply unregistered - mainstream society easily associates door-to-door selling of second-hand clothes with stealing or smuggling. Such associations, together with the known overrepresentation of Roma women among women in prison, contribute to their stigmatization

19 Ferenc Babusik, *Roma vállalkozások Magyarországon*, Research Report, Budapest, 2004.

20 Judit Durst, *Innen az ember jobb, ha meg is szabadul – Megélhetési stratégiák egy kislelkes cigány közösségben*, 2003., Péter Szuhay, Foglalkozási és megélhetési stratégiák a magyarországi cigányok körében, in Ferenc Glatz (ed.), *A cigányok Magyarországon*, MTA Társadalomkutató Központ. Budapest, 2004.

21 Judit Durst, *Innen az ember jobb, ha meg is szabadul – Megélhetési stratégiák egy kislelkes cigány közösségben*, Budapest, 2003.

22 Ibid.

23 See life story interviews in *Women, Integration and Prison – National Report*, Hungary, Research Report Central European University, Budapest, 2005.

and ultimately, criminalization. Thirdly, if we accept that Roma women's unregistered income-generating work and role in managing scarce resources for the family is especially vital for survival among the poorest families, those women who live in segregated ghettos or villages in economically depressed regions are likely to remain closed in this gendered poverty trap. It is thus necessary to take various measures in order to encourage Roma women's entrepreneurship, as will be discussed under recommendations.

## 2. POLICY ENVIRONMENT, LESSONS AND DEBATES

Though this paper focuses on employment, a few broader issues need to be mentioned, as they influence the context of employment-related policies.

### *Data protection*

The currently dominant, strict interpretation of the Data Protection Act<sup>24</sup> (Act on the Protection of Personal Data and Freedom of Information, Act LXIII/1992) leads to the lack of statistical data on ethnicity, thus limiting the ability of researchers and policy-makers to assess policy impact. Due to the lack of large-scale statistical data, existing knowledge is based on surveys, which have to follow complicated sampling procedures, creating further challenges. The fact that one has to rely on secondary research especially reduces the possibilities for those who research topics relevant for Roma women, since, due to limited gender-sensitivity, most secondary research does not offer gender-based data or analysis. Thus, most policies can hardly be evaluated regarding their impact on Roma women, if current, strict interpretation of data protection continues in Hungary.

### *Segregated housing*

Government declarations and plans to combat segregation and act against ghettos were not followed by actions. Research financed by the Hungarian government in 1997 concluded that 96,000 Roma live in ghettos - although more recent estimates show a broad range, from 36,000 to 200,000 people. A plan was drafted in 2001 to dismantle ghettos; however, no agreement was reached among ministries and experts. Ever since, no new plan or resources was set aside by the government. As analysts remark,<sup>25</sup> public officials were not ready to face the political risk involved in such actions, and local governments in particular were not prepared or able to face resistance from local population. The topic has remained on the agenda at least at the level of discourse: the state secretary for Roma affairs recently described a three-year plan to be financed by the European Bank for Reconstruction and Development (EBRD).

24 For a discussion of the Data Protection Act and its interpretation see Andrea Krizsán, The Case of Hungary, in Andrea Krizsán (ed.), *Ethnic Monitoring and Data Protection*, Budapest, CPS Books, 2002, pp. 157-199.

25 János Zolnay, Szakítópróbák, in Mária Neményi, Júlia Szalai (eds) *Kisebbségek Kisebbsége*, Budapest, Új Mandátum Könyvkiadó, 2005, p. 197.

The problem of segregation is not limited only to the issue of ghettos: an increasing number of Roma live in areas in which Roma dominate numerically, although these are not classified as ghettos. All forms of segregated living negatively influence education potentials, the availability and range of jobs, business opportunities, standards of living and housing, social networks, health indicators, and so on.<sup>26</sup> As shown in this paper, for Roma women, living in segregated areas often leads directly to leaving school early, restricting access to employment, and eliminating alternatives to engaging fulltime in childcare.

### ***Anti-discrimination legislation***

General legislation on anti-discrimination (Act CXXV/2003 on Equal Treatment and the Promotion of Equal Opportunities) was created in late 2003. Even though discrimination in employment was prohibited by the Labor Code previously as well, this law gives a detailed, elaborate description of various forms of discrimination in employment relationships, and reverses the burden of proof. Based on the law, a so-called Equal Treatment Authority was set up recently; however, its operation cannot yet be evaluated. Some researchers point out that the law arrived late, which reflects the general reluctance of political elites, state administration, and middle classes to tackle seriously discrimination against Roma.<sup>27</sup>

### ***Institutionalization***

In the central government, the representation of Roma issues at the policy level was institutionalized in 2002; however, the office and administrative level at which Roma issues are addressed, and the terminology used in engaging with Roma issues have changed several times. At the time of writing there is a Roma Directorate within the Ministry for Youth, Family, Social Affairs, and Equal Opportunities. In each ministry, there is a so-called "Roma referent.". Some researchers point out that the dominant discourse is built on the equal opportunity approach, advocated strongly from 2003, through which Roma, women's, and disability issues are often discussed together.<sup>28</sup>

### ***Labor market programs***

The Hungarian government supported various Roma employment programs through two state-owned foundations from the mid-1990s. However, the first conscious strategy – the so-called Medium-Term Package – was approved by the government in 1997, and revised in 1999. (A new package was launched in 2003.) The Medium-Term Package required the cooperation of various ministries in order to support and integrate unemployed Roma people into the labor market. The core element of such support was envisioned through public work and public utility work programs, as well as through a social land program.

26 Ferenc Babusik, *A szegénység csapdájában*, Research Report, Budapest, 2004.

27 Kertesi Gábor, *A társadalom peremén – romák az iskolában és a munkaerőpiacon*, Budapest, Osiris, 2005. p. 20.

28 János Zolnay, Szakítópróbák, in Mária Neményi, Júlia Szalai (eds.) *Kisebbségek Kisebbsége*, Budapest, Új Mandátum Könyvkiadó, 2005. p. 195.

An assessment of all “active labor market” measures in 2001 showed that the tool used most often to assist unemployed Roma has indeed been through public work programs. Most are not only available for unemployed Roma people; however, Roma represent between 40% and 60% of participants. Research shows that more than 75% –, up to 90% – of those who have taken part in public work programs have not been reintegrated to the primary labor market. In fact, public work programs are one element in the permanent cycle of unemployment benefits and a few months of public work assignment.<sup>29</sup> Other “active labor market measures,” (retraining, wage-cost contributions, etc.) were only available for a fraction of unemployed Roma. Generally, analysts point out that most state support goes into normative support, rather than project-based financing.<sup>30</sup> Changes in the financing of unemployment support in 2000 have left the above basic structures and tendencies in place.

### ***Micro-credit programs***

The role of micro-credit programs in supporting Roma entrepreneurs has remained very marginal in Hungary.<sup>31</sup> The state-financed general micro-credit program has not been adequate for Roma entrepreneurs, and NGOs have had limited opportunities for running micro-credit programs, due to strict banking regulations.

### ***NGO programs***

Roma labor market programs run by Roma organizations and financed by various donors including international and local NGOs and state institutions throughout the 1990s (1990-1999) were evaluated critically by in report by the World Bank,<sup>32</sup> mainly due to insufficient focus on project financing as compared to normative financing. The report pointed out that a high number of projects “only” aimed at ensuring subsistence living for participants for the duration of the projects, but were not sustainable without continued donor support. The World Bank also argued that most donors – whether state institutions or NGOs – were unable to follow up on the actual impact of their projects, and many had opposite or very different impact compared to the original objectives.<sup>33</sup>

### ***European Union funding***

EU support was significant for addressing Roma issues through the EU Accession Partnership and in the Regular Reports. Financing projects mainly took place through Phare projects. However, Roma groups

29 Szilvia Orsovai, Ilona Palotai, Éva Pálinkó, *A közhasznú foglalkoztatotti státusz reintegráló hatása a fővárosban*, Budapest, Fővárosi Önkormányzat, 2000.

30 Róbert György Lukács, Roma munkaerőpiaci programok és környezetük, in Mária Neményi, Júlia Szalai (eds) *Kisebbségek Kisebbsége*, Budapest, Új Mandátum Könyvkiadó, 2005. p. 113.

31 Róbert György Lukács, Roma munkaerőpiaci programok és környezetük, in Mária Neményi, Júlia Szalai (eds) *Kisebbségek Kisebbsége*, Budapest, Új Mandátum Könyvkiadó, 2005. p. 101.

32 World Bank, *Hungary - Long-term poverty, social protection, and the labor market*, The World Bank, 2001.

33 Róbert György Lukács, Roma munkaerőpiaci programok és környezetük, in Mária Neményi, Júlia Szalai (eds.), *Kisebbségek Kisebbsége*, Budapest, Új Mandátum Könyvkiadó, 2005. p. 107.

often had difficulties accessing these funds. Further, most funds focused on projects in education.<sup>34</sup>

The National Development Plan I (2004-2006), under which EU structural funds and matching Hungarian government funds were translated into actual projects in various fields (economic development, regional development, human resources development, environment), emphasized equal opportunities as an important principle. However, in most programs – above all, in economic development programs – equal opportunities are only a so-called horizontal principle, which has to be taken into account, where appropriate. Under economic development within the National Plan, no targeted programs for Roma businesses, entrepreneurship, and so on. or for economically disadvantaged regions, were established. Under regional development and human resources development, some targeted programs were designed for economically disadvantaged regions, as well as for the unemployed, including Roma. However, no detailed assessments were available about project beneficiaries at the time of writing this paper. Some researchers have pointed out that only few NGOs have sufficient operational or administrative experience, involvement in tender processes, professional networks, and so on, needed to advance a successful proposal. Another challenge has been that, due to data protection regulations, there is often no data on the ethnicity of beneficiaries. Therefore, the impact of such programs in this respect is unlikely to be measured.

The two most important policy debates in this field can be summarized as follows:

- Given that public work programs alone are not successful in aiding integration into the primary labor market, some experts argue for the need to shift away from public work programs, while others believe that the secondary labor market is the only real possibility for many unemployed people, including Roma.
- In order to avoid the danger of segregation, some experts argue against designing labor market programs specifically for Roma. Others argue that such programs are needed and do not lead to segregation if designed properly.

### 3. RECOMMENDATIONS

This paper has raised a range of related issues and presented policy recommendations, such as on the need to act against segregated housing and schools. Here, the focus will be narrowed again to issues directly related to Roma women's labor market position and employment potential. Some of these recommendations can and should be considered as tools to improve Roma men's labor market position as well.

Given the particularly strong link between Roma women's educational level and economic activity level, as well as the strong, positive correlation between Roma women's economic activity and the potential for their families to avoid poverty, investment into Roma women's education is

34 *Monitoring the EU Accession Process: Minority Protection* Vol. I., Budapest, OSI/EU Accession Monitoring Program, 2002, p. 249.

particularly rewarding. The analysis has demonstrated that at least a mid-level educational qualification is required to reach a potential for labor market entry. Given the large differences according to age - and other variables<sup>35</sup> - targeted policy action is required to improve Roma women's access to education and registered employment. The following are only some examples for such targeted actions:

a) Vocational education (linked to job placement) in marketable professions should be organized as a priority, including women who have not completed elementary education, or have done so years ago.<sup>36</sup>.

b) Retraining, job search and job placement should be made available for the above 30% unemployed Roma women among those who possess vocational or secondary education.

c) Young school leavers (14-18 years of age) need special attention, as they are particularly at risk for unemployment, or, partly due to the lack of other life-alternatives, become mothers at a young age.

d) The development of the kindergarten network - or alternatives to it – in rural Hungary, particularly in small villages, must be encouraged.

e) Employers' obligation to offer jobs to women returning from maternity leave must be enforced.

f) Access to jobs in public administration must be ensured for Roma women and men and achieved via positive action. Centrally administered government agencies must set an example in this regard.

g) All government (central and local government) and state administration bodies should have institutional anti-discrimination policies and complaint procedures.

h) Entrepreneurship among Roma women should be strengthened by the following means:

- Facilitating access to micro-credit programs for Roma women entrepreneurs.
- Introducing simple, entrepreneur-friendly administration and taxation rules for micro businesses.
- Developing special licenses that allow for the recognition of a range of seasonal, temporary, etc. jobs as "paid work," and thus, contribution to social security.

35 Due to space limitations, I only list other variables that are proved to be important in influencing the level of education among Roma women: number of children, level of poverty, level of segregation, geographical area. Based on research by Ferenc Babusik, *A szegénység csapdájában*, Research Report, Budapest, 2004.

36 I do not wish to indicate that employment is a realistic target for all unemployed Roma women. Yet, many young and middle-aged Roma women are without work and have limited education; many can be supported by such measures.



- i) In the field of unemployment support, a shift towards targeted, integration-oriented measures should be achieved (e.g. retraining, job creation and placement through wage support, social security support, tax allowances) – instead of the current, almost exclusive focus on public work programs, which are very costly and yet do not manage to help integration to the labor market.
  
- j) The number and visibility of Roma programs and Roma beneficiaries should be increased in the programs supported from the National Development Plan. Access of a sufficient number of NGOs to structural funds and the creation of innovative labor market projects is especially desirable.